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Supervisors:

PLEASE CIRCULATE

RETIREMENT SYSTEM

KNOXVILLE, TENNESSEE

August 1966

UNIQUE INVESTMENT PLAN

Have you ever wished you could invest money in the stock market but felt frustrated because you didn't have the time or the money to follow the big board? Now you can take advantage of stock market growth potential with your money invested for you by competent mutual fund management.

Yes, your TVA Retirement System Board is introducing an exciting new savings and investment program for TVA Retirement System families.

It's called the TAKE STOCK plan--a voluntary program designed to supplement your retirement pay but with flexibility to meet special needs.

TAKE STOCK lets you invest in mutual fund shares at lower cost because of group buying; any profits are taxable only when you terminate the plan.

You have a choice of two different mutual funds: the Fidelity Trend Fund, which seeks capital growth possibilities through interpretation of trends, and the Puritan Fund, which primarily emphasizes investment income.

And you can do it through payroll deductions. Systematically, the amount you want to invest is deducted every pay period. Regularly, it's put into the stock market by your mutual fund management. And you can follow the ups and downs of your investment in the daily newspaper.

So TAKE STOCK of your savings program. Sure, you'll have benefits from the Retirement System and from Social Security. Of course, you're buying U. S. Savings Bonds. You have FEGLI and personal insurance. And now you can invest in the stock market through the TAKE STOCK plan as well as the variable annuity. Each member will receive, by shortly after Labor Day, an announcement, full descriptive booklet, enrollment card, and prospectus for each mutual fund.

Comparison of Fixed and Variable Funds
as of 7/31/66

(If \$100 a month had gone into both funds
starting in the months shown.)

Unit Value on Jul 31	Starting date	No. of months	Dollars put in	\$ value and average % of growth per year			
				Fixed fund		Variable fund	
'66 \$1.302	'63 \$1.054	Jan '64 31	\$3,100	\$ 3,258	4%	\$ 3,388	7.02%
'65 1.232	'62 .996	Jan '62 55	3,300	6,017	4	6,910	10.02
'64 1.205	'61 1.129	Jan '59 91	9,100	10,584	4	12,342	8.43

**TAKE STOCK
PLAN***News*

RETIREMENT SYSTEM

KNOXVILLE, TENNESSEE

October 1966

First TAKE STOCK Purchase Made--1% Sales Charge

Because about 1,900 members signed up for almost the \$1 million required for a 1% sales charge, the Retirement System Board of Directors issued a letter of intent to purchase a million in shares between October 10, 1966, and November 9, 1967. As soon as purchases reach a million, the 1% sales charge will continue for 25 years.

The first TAKE STOCK Plan order was for \$27,800 on October 10 (salary policy payday). The "bid" price per share was \$23.26 for Fidelity Trend and \$8.75 for Puritan. The costs per share, including the 1% sales charge, were \$23.49 and \$8.84, respectively. The second order for \$3,200 will be placed on October 17 (trades and labor payday).

Since stock prices are lower than in recent months, the dollars we are paying in now will buy more shares. (Variable annuity contributions are also purchasing more units while the unit value is low.)

Enrollments are coming in daily for an average of about \$170 a pay period. You can start any time; the payroll office needs at least 10 days before "pay Monday" to put a deduction into effect.

Here's the big picture on TAKE STOCK participation through October 14:

	Number	Pay Period Deductions		Projection to 11/9/67
		Fidelity Trend	Puritan	
Salary policy	1,632	\$25,848	\$3,537	\$850,466
Trades and labor	274	2,572	638	89,814
	<u>1,906</u>	<u>\$28,420</u>	<u>\$4,175</u>	<u>\$940,280</u>

**Comparison of Fixed and Variable Funds
as of 9/30/66**

(If \$100 a month had gone into both funds
starting in the months shown.)

Variable Annuity Unit Value on Sep 30			
'66 \$1.192	'62 \$.862		
'65 1.300	'61 1.142		
'64 1.215	'60 .935		
'63 1.086	'59 1.012		

Starting date	No. of months	Dollars put in	\$ value and average % of growth per year			
			Fixed fund	Variable fund		
Jan '64	33	\$3,300	\$ 3,480	4%	\$ 3,315	.3%
Jan '62	57	5,700	6,257	4	6,562	6.1
Jan '59	93	9,300	10,853	4	11,756	6.0